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April 7, 2010

Ms. Deborah Scott  
Arizona Public Service Company  
400 North Fifth Street  
Post Office Box 53999/MS 8695  
Phoenix, Arizona 85072-3999

**Re: Arizona Public Service Company's ("APS") Application for Modification to the Residential Distributed Energy Incentive; Docket No. E-01345A-09-0338.**

Dear Ms. Scott:

On March 31, 2010, APS filed an application for modification of its existing Residential Distributed Energy Incentive, citing unexpected demand in the residential solar energy market and requesting expedited consideration of its request.

To assist me in my deliberations, I would like APS to provide the Commission with additional information regarding the background assumptions, projections and events that led APS to the circumstance it faces, namely demand disproportionate to projected budgets.

Specifically, I would like APS to provide the following information to the Docket no later than Monday, April 12:

1. APS identified \$32.7 million in committed funding for the residential solar program for 2010. Please outline whether these project commitments reflect residential projects submitted before January 1, 2010, or whether these project commitments are solely related to the 2010 calendar year.
  - a. Please identify, on a week by week basis, the number of reservations made with APS for residential solar systems, from January 2009 to the present.
  - b. Please identify, on a week by week basis from January 2009 to the present, whether reservations were funded from 2009 or 2010 budgets.
  - c. Please identify, on a week by week basis from January 2009 to the present, what percentage of the reservations have cancelled and what has been built and funded to date.
2. Please tell the Commission the degree to which its decision not to commit RES incentive funding to the Flagstaff solar pilot project, but rather allow APS to invest funding in that pilot, will help alleviate the problem facing the residential program. Will any residential dollars previously committed to the Flagstaff project now be available?
3. Please outline the typical time intervals customers experience in getting a system installed and operational, from the initial signing of a contract with a vendor to the date APS conducts its inspection and the system goes live. Specifically, outline the time duration from receipt of a contract, to approval of a reservation, to APS inspection.